

NEW MEDICAID INCOME LIMITATIONS AND ESTATE RECOVERY COST CONTAINMENTS

CONSIDERATIONS FOR A MARRIED COUPLE

Situation		Past Policy	New Policy	Effective Date
One spouse is entering Nursing Facility for institutionalization purposes and is applying for Medicaid	Income	<p>Only the income of the institutionalized individual is counted.</p> <p>If Community Spouse's income is below \$2,260 per month, spouse may keep the difference between income and \$2,260 allowance including excess shelter costs.</p> <p>If Community Spouse's income is greater than \$2,260, nothing can be accessed from Institutionalized Spouse's income</p> <p>If income over \$1,656 a month (gross), individual would have to apply for exceptional spend-down eligibility (prove monthly medical expenses are more than monthly income)</p>	<p>No Change</p> <p>If Community Spouse's income is less than \$1, 515, spouse may keep difference between income and \$1,515 Must verify shelter costs in order to get the \$2,260 maximum allowance.</p> <p>If Community Spouse's income is greater than \$1,515 plus any excess shelter costs, nothing can be accessed from Institutionalized Spouse's income</p> <p>If income over \$1,656 a month, rather than applying for exceptional spend-down couple must open a Qualifying Income Trust. Each month income placed in trust, Community Spouse will receive allowance from trust.</p>	<p>Spousal Impoverishment Policy Change effective 6/1/03</p> <p>Elimination of Medically Needy Category Change effective 9/1/03</p>
	Resources	Combined resources of the couple can be no greater than \$90,660 for the community spouse. Resources for the institutionalized spouse can be no more than \$2,000. These amounts exclude a homestead regardless of value.	Total combined resources, regardless of who actually owns the resources, of the couple are divided by 2 with half attributed to the institutionalized spouse and half to the community	Spousal Impoverishment Policy Change effective 6/1/03

Situation		Past Policy	New Policy	Effective Date
One spouse is entering Nursing Facility for institutionalization purposes and is applying for Medicaid (Continued)	Resources (Continued)		spouse. This amount excludes a homestead regardless of value and establishes a minimum of \$20,000 and a maximum of \$90,660 for the community spouse. This amount is considered to be the spousal resource allowance. The institutionalized spouse's resource amount remains at \$2,000 and eligibility can not be established until the institutionalized spouse's resources are below the \$2,000 standard. At the time of application if the combined resources of the couple are below the spousal resource allowance plus \$2,000 for the institutionalized spouse they are resource eligible.	
Institutionalized Spouse has remained in Nursing Facility for 6 months with no change in income or resources	Income	No action	No change	
	Resources	<p>No action</p> <p>Currently, a transfer of resources is subject to the limitation that assets transferred for less than fair market value, within 3 years of application for Medicaid, may subject the individual to a period of Medicaid ineligibility. (This is known as the federal "Three-Year Look Back Rule.")</p> <p>Applicants who have added names (usually heirs and/or family members) to a property deed, have not been subject to the transfer of resource rules (or periods of ineligibility) as long as the applicant's name remains on the deed.</p>	<p>No change will be followed.</p> <p>Medicaid will begin considering the addition of names to a property deed to constitute a transfer of resources for determining eligibility under the federal "Three-Year Look Back Rule."</p>	

Situation		Past Policy	New Policy	Effective Date
Upon the death of an institutionalized Spouse	Resources	<p>Medicaid attempts to recover against estates for costs incurred during institutionalization for estate asset value above homestead exemption, but no greater than total expended. Other exemptions and limitations apply such that more often than not claims are not recoverable</p> <p>Estate asset value from which Medicaid attempts recovery is limited to assets defined under state probate law.</p>	<p>Homestead exemption is eliminated. However, there is no material change in institutional costs from which Medicaid identified total potential recovery. Total exemptions for estates with surviving spouse, minor or disabled child, still apply. Undue hardship exemption for estates valued at 5k or less is raised to 10k or less. Appeal rights have been provided for undue hardship denials.</p> <p>Kentucky will expand recovery to include probate assets and “any other real and personal property and other assets in which the individual had any legal title or interest at the time of death (to the extent of such interest).</p>	All of these changes a part of Resource Limitations and Estate Recovery Policy Changes effective 9/1/03